## Government of the Virgin Islands of the United States



## **Department of Licensing and Consumer Affairs**

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## FOR IMMEDIATE RELEASE

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## SHORT-TERM RENTAL BUSINESS LICENSE FOR LODGING LESS THAN 90 DAYS

(*U.S. Virgin Islands*)- Commissioner Richard T. Evangelista of the Department of Licensing and Consumer Affairs (DLCA) informs the public that effective July 1, 2021, DLCA is ready to issue a business license for the operation of a short-term rental. A short-term rental is an establishment primarily engaged in providing accommodations for less than ninety (90) days tourist/vacation rentals in private homes, condominiums, or villas (except hotels, motels, casino hotels and bed-and-breakfast inns). DLCA created two (2) categories of short-term rental licenses. The first license is called a "Short Term Rental A" created for an establishment that can accommodate five (5) or more persons costing \$260.00 per year. The second license, Short Term Rental B", was created for an establishment that can accommodate up to four (4) persons with a cost of \$195.00 per year.

Some persons may ask DLCA, why now? A short-term rental business license achieves a couple of positive things for the United States Virgin Islands:

- 1. It allows the Government of The Virgin Islands to collect the Hotel Room Occupancy tax from persons engaged in short term rentals who are not a member of Airbnb. As of June 1, 2017, the Government of the Virgin Islands and Airbnb entered into an agreement that allows Airbnb to collect the 12.5% Hotel Room Occupancy Tax on behalf of homeowners and remit payment to the Virgin Islands Bureau of Internal Revenue. The collection and remittance of the Hotel Room Occupancy tax from members of other short term rental groups or independents relies on an honor system.
- 2. It allows the Government of The Virgin Islands to collect taxes from persons who are engaged in the lucrative business of short-term rentals.
- 3. It enables Homeowner's Associations (HOA) to monitor its neighborhoods to ensure compliance with its bylaws regarding short-term rentals. Some HOA's permit long-term rentals but not short-term rentals for varied reasons.

DLCA looks forward to assisting persons/businesses, currently holding apartment rental business licenses, to convert to a short-term rental license if applicable when it is time for renewal.

For additional information or to apply for the Short-Term Rental A or B business license, customers may contact the Licensing Division at (340)713-3522 in the District of St. Croix and (340)714-3522 in the District of St. Thomas & St. John.

